

# Top 10 MCR Errors

The Mortgage Licensing Group's team of professionals have helped mortgage companies compile and submit over a thousand clean Mortgage Call Reports over the last 20 years, giving us the insight needed to identify the most common errors we encounter.

The top 10 list below can be a useful guide for any mortgage company looking to mitigate the risks and penalties caused by late or noncompliant reporting. We hope that you will use this list to develop and implement guidelines, self-auditing processes and procedures that ensure quality compliant reports.

1. Submitting files that have been sitting without a disposition for a long time even though they are no longer active.
2. Including files that are dispositioned or given an action date after the corresponding MCR has already been filed.
3. Applications that are copies of older applications without all dates properly updated. IE. sometimes an MLO will copy an old application to save time filling in data and not bother to update the application date or remove old milestone dates.
4. Incomplete data, especially missing fields like the application dates, states, or dispositions
5. Data that does not tie out from one quarter to another (this is often caused by one of the other data problems)
6. Submission of business or Investment files without a clear marking (these loans are not required for Section I of the MCR)
7. For the MCR financial condition, financials that are not filled out according to GAAP, e.g. cash-basis financials or financials missing a statement of cash flows
8. Additionally, for the MCR financial condition, insufficient detail to fill out the tables. In particular, the MCR requires detailed breakdowns of loans held for sale and of personnel expenses. We have seen recent pushback from states requesting more detail on D280 (Other Expenses). We often have enough detail to enter an explanatory note for D280, but occasionally everything gets lumped under General and Administrative expenses.
9. The loans reported on the MCR do not match with the state reports. When filling the state reports, we would normally compare the state report data with the MCRs we filed and noticed mismatches happened most of the time.
10. Incorrect filters applied when pulling the report from the LOS leads to missing loans. we have seen that clients may only provide the loans that started during the reporting quarter, or only provide the funded loans during the quarter. To file the MCR for a quarter, we would need any loans that are
  1. Full mortgage application loans
  2. Started on or before the last day of the reporting quarter
  3. Are either in process or dispositioned as funded or adverse during the quarter.

In conclusion, we hope that by sharing the common errors we've identified, mortgage companies like yours will be able to take a proactive approach to implementing practices that lead to ensuring your MCR's get submitted compliantly and on time.



**Have questions? Give us a call at 1(866) 576-7726**